

I. CALL TO ORDER

A meeting of the Dillingham Board of Equalization was held on Tuesday, April 29, 2008 in the Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 5:33 p.m.

II. ROLL CALL

Mayor Alice Ruby - present

Council Members present:

Tim Sands
Sue Mulkeit

A quorum was established with a quorum being three (3) members.

Guests present:

Arne Erickson, Appraisal Co. of Alaska

III. ASSESSOR'S COMMENTS

Arne Erickson:

- commented that the appeal process was going very well considering it was a complete reassessment. He explained that the process was a mass appraisal that judgment is made on what you see from the outside, noting most municipalities couldn't afford to do an appraisal with interior inspection for each property;
- explained that he had compiled the most recent sales data for this area, that the sales ratio was quite low, mid to high 60s, meaning sale prices were exceeding assessed value, that after developing the current rate, the sales ratio now stands at about 91%;
- explained that the new schedule was developed by increasing land values by 10%, categorized improvements in two categories, those between zero and \$150,000 in value were raised by 5% and those over \$150,000 were raised by 10%, and raised onsite water and septic from \$5,000, which had been used for years, to \$22,000, or \$11,000 each;
- commented that the number of appeals filed was about 7% of the total valuations. The last reassessment was 2003, accounting for five years worth of increase. There were 39 real property appeals with 12 presented, with an additional 22 received this date that will be looked at in May, noting the cutoff date for filing appeals and the BOE meeting had coincided. There were 15 personal property appeals filed with 3 presented; and
- explained that the Board's function is to make sure everybody is treated fairly, justly, equitably, non-discriminatory, and that everybody is judged by the same standards.

IV. APPEALS FOR CONSIDERATION

A. Real Property

1. Case No. R-08-01, Jim Bingman, Lot 24B, Fairview Subdivision

Status: Assessor recommended a reduction in the improvement value to reflect recalculation of depreciation based upon age and present physical condition. There are two buildings on a single lot.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to accept the assessor's recommendation to revalue the property to \$212,000 for Case No. R-08-01.

VOTE: The motion passed without objection.

(Clerk Note: All three members present will vote on each motion.)

2. Case No. R-08-02, Jim Bingman, Lot 23G, Fairview Subdivision

Status: Assessor recommended no change in land or improvement valuation. Inspection shows a storage building constructed of 40' vans with a tremendous roof overhead. The land is developable. The improvements were not assessed before.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to approve the assessor's recommendation for Case No. R-08-02, Lot 23[G], Jim Bingman, Fairview Subdivision.

Discussion:

- was curious if there might have been some confusion, because, previously, vans were considered personal property and if he hadn't been filing them there wouldn't have been any value.

VOTE: The motion passed without objection.

3. Case No. R-08-03, Jim Bingman, Lot 24C, Fairview Subdivision

Status: Assessor recommended a reduction in modular value to reflect age and physical condition - older, mobile home - and added well and septic. Improvements lowered to \$31,200.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision reevaluating the property to \$46,500 for Case No. R-08-03, Lot 24C, Fairview Subdivision.

Discussion:

- questioned how the value of the trailer was determined, Arne explained he uses a standard manual, and with all mobile homes he uses low quality and then a square foot value given by its dimensions, and evaluated age.

VOTE: The motion passed without objection.

4. Case No. R-08-04, Jim Bingman, Lot 2-C, Fairview

Status: Assessor recommended no change, valuation of subject vacant land consistent with immediately surrounding parcels. Property is developable and has access to everything, water and sewer.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to approve the assessor's decision of \$16,500 on Case No. R-08-04, Lot 2-C, Fairview Subdivision.

VOTE: The motion passed without objection.

5. Case No. R-08-05, Peter Crimp, Lot 9, Block 3, Napaq Subdivision

Status: Assessor recommended removing the value for well and septic as a consideration of improvement, since they don't exist. At present, cabin is not at 100% completion.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to accept the assessor's recommendation of \$56,600 for Case No. R-08-05, Lot 9, Block 3, Napaq.

VOTE: The motion passed without objection.

6. Case No. R-08-06, Robert Davis, Lot 10, Block 1, Ahklun View Estates

Status: Assessor recommended recalculating useful life depreciation based upon age and present physical condition.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's valuation for Case No. R-08-06 for \$167,900, Robert Davis, Lot 10, Block 1, Ahklun View Estates.

VOTE: The motion passed without objection.

7. Case No. R-08-07, Mike Hinkes, Lot 1, Hinkes Subdivision

Status: Assessor recommended recalculating the useful life depreciation based upon age, quality of construction, and present physical condition of the subject. Built in 2001, relatively new and in very good condition. Contacted Hinkes by email advising them of the methodology used this year, but did not receive a response. Hinkes have asked to address the Council Thursday night to request a moratorium on any kind of reevaluation until better economic times. Arne commented realistically you can't have peaks and values for valuation purposes for every trend in the economy.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's valuation of \$318,900 for Case No. R-08-07, Mike Hinkes' Lot 1, Hinkes Subdivision.

Discussion:

- questioned if it was possible to acknowledge the house might have some economic obsolescence because it was overbuilt, Arne answered it can be applied when the construction is totally out of character with any other kind of construction; and
- commented the Hinkes are in essence saying, because they over constructed they are not able to sell the house for what it is worth, Arne noted there are about ten to fifteen homes in Dillingham of comparable construction.

VOTE: The motion passed without objection.

8. Case No. R-08-08, Mike Hinkes, Lot 3, Hinkes Subdivision

Status: Assessor recommended recalculating useful life depreciation based upon age, quality of construction, and present physical condition of the subject.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision of \$283,600 on Case No. R-08-08, Lot 3, Hinkes Subdivision.

Discussion:

- questioned the jump of 28%, Arne noted the increase was mainly due to elevating the well and septic, plus 10% to the improvement value.

Arne Erickson explained that an additional component of valuations is the multiplier. There's a point in the U.S. where a dollar buys a dollar. It takes about \$1.40 to buy a dollar in Dillingham. The multiplier was added to sewer and water values as well.

VOTE: The motion passed without objection.

9. Case No. R-08-09, Mike Hinkes, Lot 1, Sand Subdivision

Status: Assessor recommended recalculating useful life depreciation based upon age, quality of construction, and present physical condition of the subject.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision of \$316,700 for Case No. R-08-09, Lot 1, Sand Subdivision.

Discussion:

- questioned why it increased by 36%, Arne noted construction on the triplex started in 2002, it was carried since 2002 at \$239,900, that it was valued at a percentage of completion rather than at 100% finished construction.

VOTE: The motion passed without objection.

10. Case No. R-08-10, Dallas Nelson, Lot 5, Fireweed Subdivision

Status: Assessor recommended a reduction to reflect only the well and septic system as having contributory value, that they are usable. The A-frame structure is in very bad shape.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's recommendation of \$52,800 for Case No. R-08-10, Nelson, Lot 5, Fireweed Subdivision.

VOTE: The motion passed without objection.

11. Case No. R-08-11, John & Sonya Marx, Lot 3, Shannon Subdivision

Status: Assessor recommended recalculating normal depreciation based upon the useful remaining life and present physical condition. The house is 31 years old.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision of \$159,700 for Case No. R-08-11, Lot 3, Shannon Subdivision.

VOTE: The motion passed without objection.

12. Case No. R-08-12, Starflite, Inc., Lot 6C, Block 500A, Dillingham Airport Lease

Status: Assessor recommended no change to the land value, consistent with immediately surrounding lease parcels, but recommended a 20% reduction in improvements value to \$388,500 to reflect normal age depreciation and present physical condition.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's revaluation of \$436,800 for Case No. R-08-12, Lot 6C, Block 500A, Dillingham Airport Lease.

Discussion:

- questioned the lease agreement, Arne noted they don't own the land, they have a possessory interest in the land and every year it is recalculated, that they are the only ones that can use the land for a period of so many years. Possession becomes less over time and the owner's possession becomes more, with the calculation descending as the lease period lengthens.

VOTE: The motion passed without objection.

B. Personal Property

1. Case No. P-08-01, Dan Farren, F/V Fishtrap

Status: Assessor recommended no change, subject is a 2006 Banner, custom-made aluminum boat, diesel powered, almost brand new, spendy. Had very little information provided in the property return, so took what he saw as the advertised list price. No other boats valued that high in Dillingham, but several in Bristol Bay.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision of \$250,000 for Case No. P-08-01, Dan Farren, and the F/V Fishtrap.

VOTE: The motion passed without objection.

2. Case No. P-08-02, Justin Rodgers, Piper PA-18

Status: Assessor recommended a reduction to \$53,000 was supportable when considering suggested maintenance/repairs and based upon age and condition and other relevant information.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision of \$53,000 for Case No. P-08-02, Justin Rodgers, Piper PA-18.

VOTE: The motion passed without objection.

3. Case No. P-08-03, Lawrence Sifsof, F/V Lorna Lee

Status: Assessor recommended disposal, this being the second or third year in a row he has appealed this vessel, that it is inoperable and has no contributory value.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the assessor's decision of zero value for Case No. P-08-03, Lawrence Sifsof, F/V Lorna Lee.

Discussion:

- commented the cost for hauling items and the landfill cost may possibly be the reason it has not been taken to the landfill.

VOTE: The motion passed without objection.

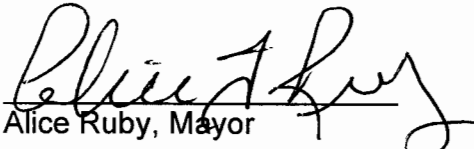
V. CITIZEN'S DISCUSSION

There was no citizen's discussion.

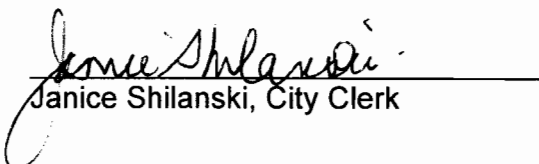
VI. ADJOURNMENT

The BOE decided on the week of May 19th for a second meeting.

Mayor Ruby adjourned the meeting at 7:12 pm.


Alice Ruby, Mayor

Attest:


Janice Shilanski, City Clerk